DHHS 5010 / NCPDP / ICD-10 Assessment Initiative: Update for PAG/TAG
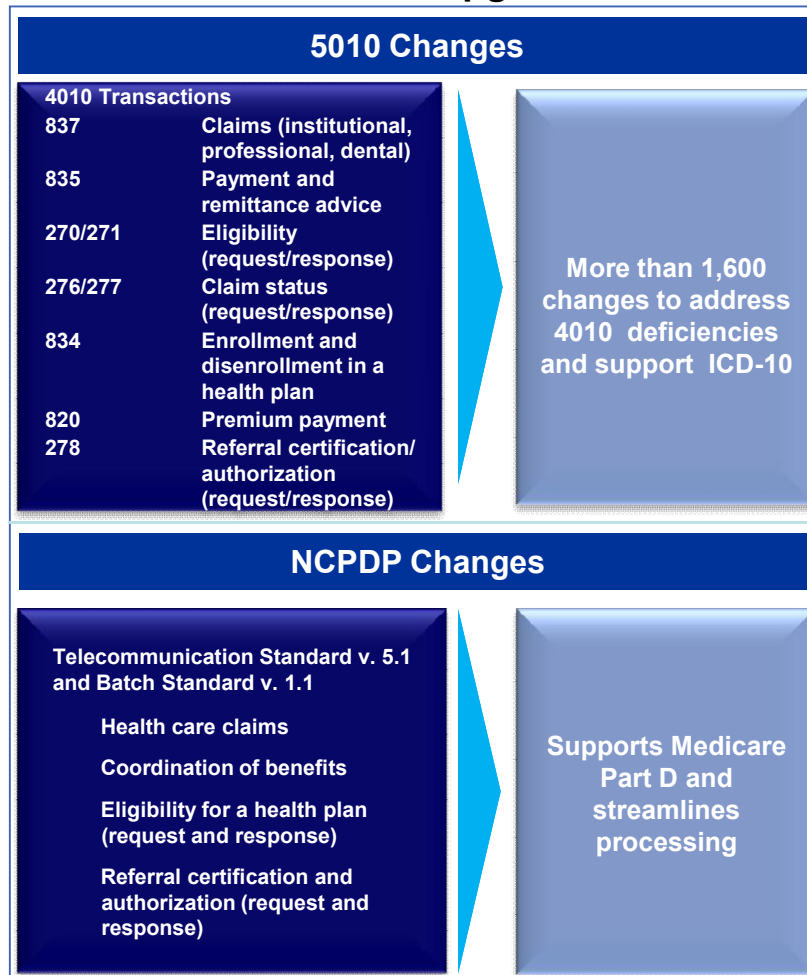
March 17, 2011

Background

- Through the Centers for Medicare & Medicaid Services (CMS), the federal government is driving the health care industry to upgrade core HIPAA transactions (5010 and NCPDP), as well as diagnosis and inpatient procedure coding.
- Upgrades will be phased in over an approximate two-year period culminating with the transition to ICD-10 on October 1, 2013.

Change	Compliance Date
5010: Upgrades the X12 4010 electronic transaction standards to X12 5010	January 1, 2012
NCPDP D.0 / 1.2: Revises electronic standards for retail pharmacies from NCPDP 5.1 / 1.1 and implements a new Medicaid subrogation transaction	D.0 / 1.2 – January 1, 2012 Medicaid Pharmacy Subrogation – January 1, 2013
ICD-10: Transitions diagnosis and inpatient procedure codes from ICD-9-CM to ICD-10 CM and PCS	October 1, 2013

The Electronic Transaction Changes

There are many changes to the 5010 transaction set and the NCPDP electronic data transmission standards

Transaction Upgrades

5010 Changes

4010 Transactions

837	Claims (institutional, professional, dental)
835	Payment and remittance advice
270/271	Eligibility (request/response)
276/277	Claim status (request/response)
834	Enrollment and disenrollment in a health plan
820	Premium payment
278	Referral certification/ authorization (request/response)

More than 1,600 changes to address 4010 deficiencies and support ICD-10

NCPDP Changes

Telecommunication Standard v. 5.1 and Batch Standard v. 1.1

- Health care claims
- Coordination of benefits
- Eligibility for a health plan (request and response)
- Referral certification and authorization (request and response)

Supports Medicare Part D and streamlines processing
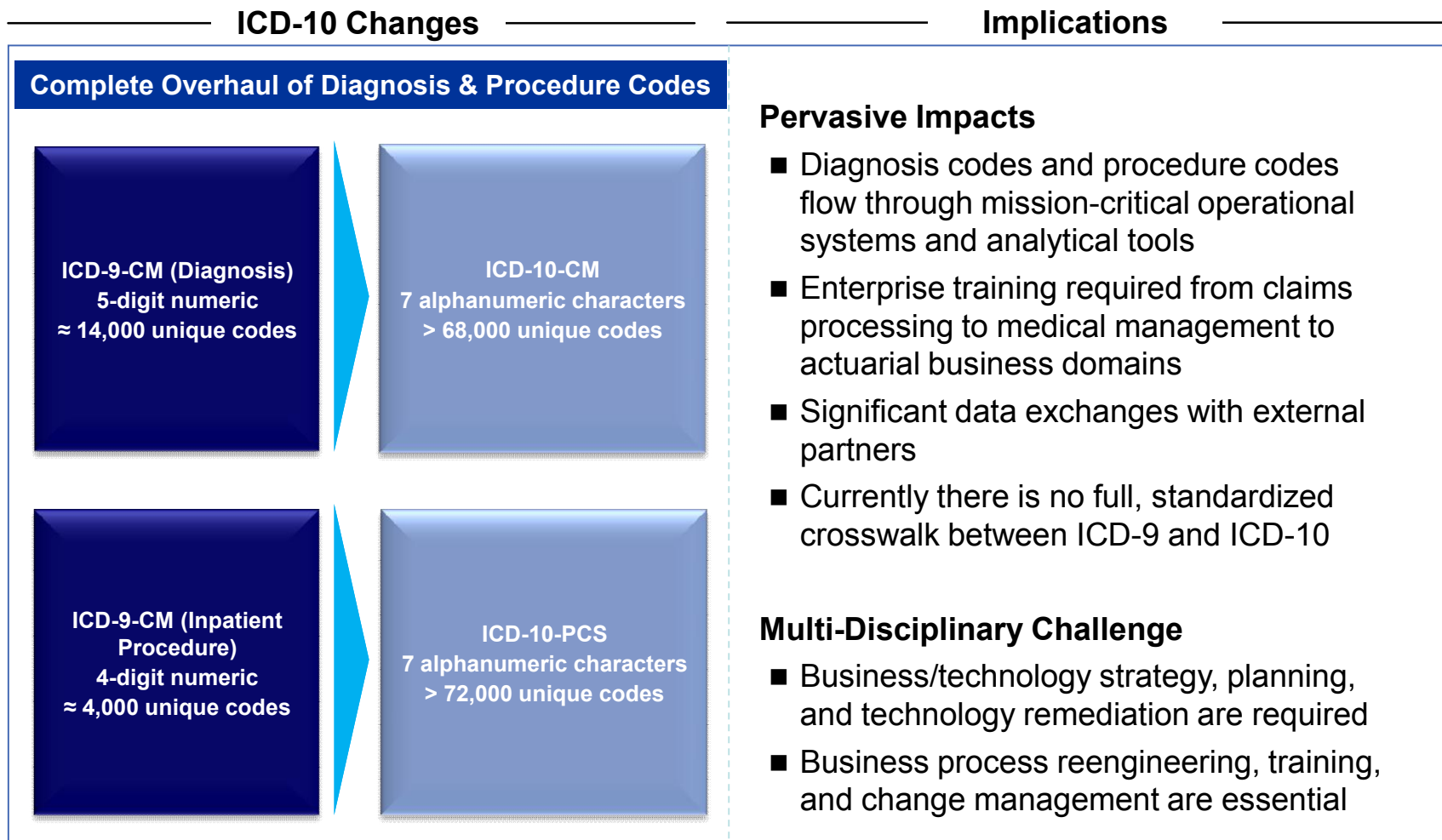
Implications

Pervasive Impacts

- Exchanges with external partners require updates for many complex connection points
- Significant testing will be required

Multi-Disciplinary Challenge

- Business/technology strategy and planning required
- Technology remediation
- Business process reengineering and training required

The ICD-10 Transition

ICD-10 codes introduce greater detail, specificity, and complexity when recording diagnoses and inpatient procedures

ICD-10 Changes	Implications

Complete Overhaul of Diagnosis & Procedure Codes

ICD-9-CM (Diagnosis)
5-digit numeric
≈ 14,000 unique codes

→

ICD-10-CM
7 alphanumeric characters
> 68,000 unique codes

ICD-9-CM (Inpatient Procedure)
4-digit numeric
≈ 4,000 unique codes

→

ICD-10-PCS
7 alphanumeric characters
> 72,000 unique codes

Pervasive Impacts

- Diagnosis codes and procedure codes flow through mission-critical operational systems and analytical tools
- Enterprise training required from claims processing to medical management to actuarial business domains
- Significant data exchanges with external partners
- Currently there is no full, standardized crosswalk between ICD-9 and ICD-10

Multi-Disciplinary Challenge

- Business/technology strategy, planning, and technology remediation are required
- Business process reengineering, training, and change management are essential

Department of Health and Human Services
Maine People Living Safe, Healthy and Productive Lives

Industry Status

Private Sector Payers

- Commercial payers, like insurance companies and managed care plans, are leading readiness efforts at this time
- Majority have completed assessments to determine the impact of the changes
- Almost 75% of health plans are working on implementing their solutions
- 5010 / ICD-10 looks to be more costly and complex than anticipated

Providers

- Provider efforts are behind those of payers, but are stepping up; only 20-30% of providers have initiated planning, training, and preparation efforts
- Readiness for 5010 transactions is further along, but is a bigger change than some providers realize
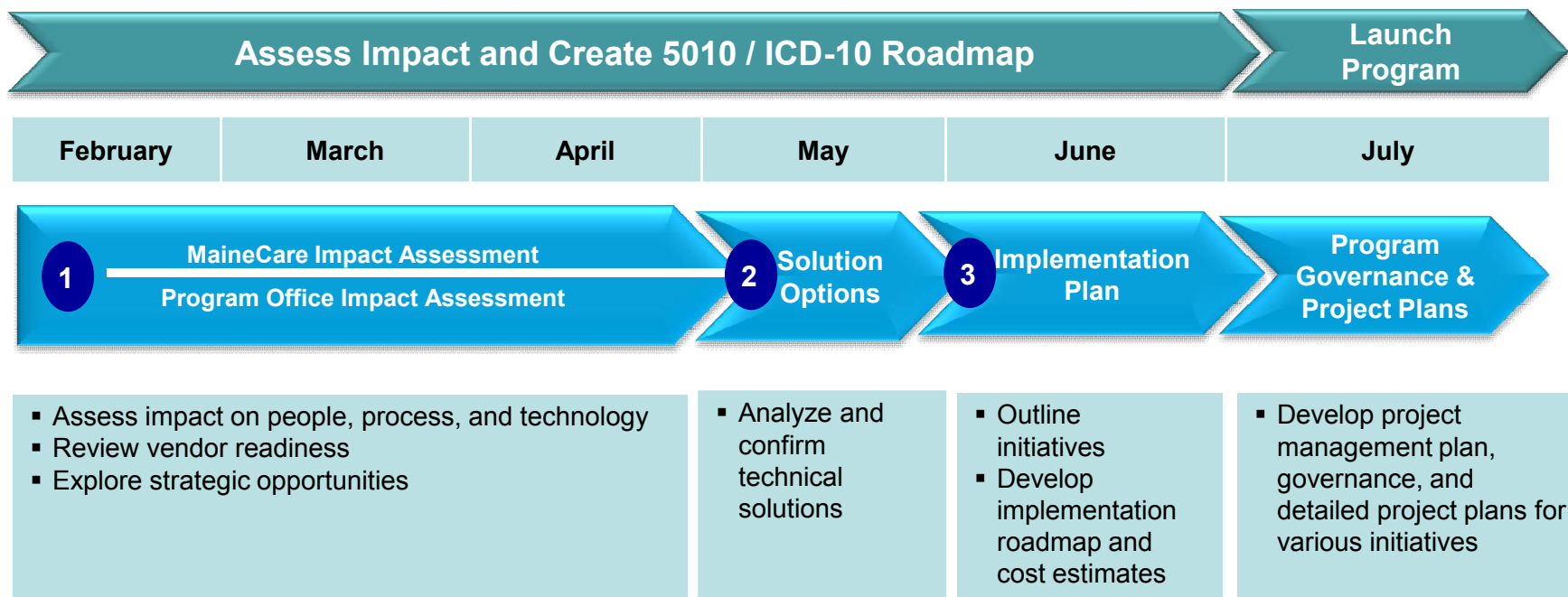
Public Sector Payers

- The Centers for Medicare & Medicaid Services (CMS) indicates it will be ready – testing is in progress for the Medicare program
- Many states are aware that the changes will have a big impact on their Medicaid and Health and Human Services programs, but have been busy with other projects and are facing budgetary constraints
- States are beginning to take action
- CMS is actively monitoring state readiness efforts

DHHS Approach

- The changes impact the systems and business processes of the Office of MaineCare Services (OMS), as well as those of Department of Health and Human Services (DHHS) Program Offices. The changes also will affect the complex relationships that OMS and DHHS have with providers and vendors.

- DHHS is currently conducting a comprehensive project to assess the implications of the 5010 / NCPDP / ICD-10 changes, identify solutions, and develop an implementation roadmap.

Assess Impact and Create 5010 / ICD-10 Roadmap					Launch Program
February	March	April	May	June	July

1 — MaineCare Impact Assessment / Program Office Impact Assessment	2 Solution Options	3 Implementation Plan	Program Governance & Project Plans
• Assess impact on people, process, and technology • Review vendor readiness • Explore strategic opportunities	• Analyze and confirm technical solutions	• Outline initiatives • Develop implementation roadmap and cost estimates	• Develop project management plan, governance, and detailed project plans for various initiatives

Progress to Date

- Drafted and delivered project charter

- Developed project governance model and roles and responsibilities

- Established key project management tools

- Developed detailed project plan

- Conducted project team kick-off meeting (2/15)

- Developed and delivered Awareness Training (2/17)

- Scheduling and conducting initial Discovery Sessions to assess impact on people, process, and technology

Office of Information Technology

- **Systems**
- **Databases**
- **Interfaces**

Office of MaineCare Services

- **Member Management**
- **Provider Management**
- **Contractor Management**
- **Business Relationship Management**
- **Operations Management**
- **Program Management**
- **Program Integrity Management**
- **Care Management**

Program Offices

- **Office of Adult Mental Health Services**
- **Office of Adults with Cognitive and Physical Disabilities**
- **Office of Child and Family Services**
- **Office of Elder Services**
- **Office of Substance Abuse**
- **Office of Integrated Access and Support**
- **Maine Center for Disease Control and Prevention**
- **DHHS Office of Quality Improvement**